

EXHIBIT E



NATIONAL COMPLIANCE SERVICES

Burl Business Center
13200 Central Avenue, Suite 1
Boulder Creek, California 95006
Servicing Pension, Training & Education, Health & Welfare Trust Funds Since 1977

VIA EMAIL AND CERTIFIED MAIL

February 4, 2019

Anita Teh
MERCHANTS BUILDING MAINTENANCE
1190 Monterey Pass Road
Monterey Park, CA 91754

RE: GENERAL EMPLOYEES TRUST FUND – FINAL AUDIT REPORT --
EMPLOYER NO's: 106537, 107787, 111291, 111521, 111896, 113158, 113159, 113820

Dear Ms. Teh:

In compliance with the terms of your SEIU-USWW and SEIU Local 87 Collective Bargaining Agreement and the Trust Fund Trust Agreement, we submit the following final audit report. The employer payroll records did not agree with the monthly health and welfare contribution transmittals. Enclosed you will find a copy of our Discrepancy Lists and Summary Report.

In accordance with the General Employees Trust Fund Reporting Policy, we included interest as prescribed by the Trust Fund Trust Indenture¹. We also included liquidated damages of 10%.² Our examination of your payroll records for the period of January through December 2014 and January through December 2016 disclosed a reporting error rate of greater than 10%, therefore, we have included our audit fee.³

Over Reported Contributions:

With regards to benefit payments paid on behalf of ineligible employees, Kaiser Contributions are not considered for credit.

For your information, \$80,432.91 was remitted on behalf of employees enrolled in Kaiser and \$104,773.47 was remitted on behalf of un-enrolled participants.

Please be aware that there are certain non-recoverable costs paid out to the carriers that will be deducted from any potential credit if approved by the Board of Trustees. If you would like the Board of Trustees to

¹ Section 8.13(c) of the Trust Indenture effective February 1, 1973 and restated September 1, 2010 states: If such audit discloses any deficiency in Contributions and/or other monies owed to the Trust Fund, the Employer shall immediately pay to the Trust Fund the amount found due, plus liquidated damages and interest at the rates set forth above in this Article VIII (simple interest thereon at the greater of (i) seven percent (7%) per annum, or (ii) the rate prescribed by Section 6621(a)(2) of the Internal Revenue Code).

² Section 8.06(a) Therefore, it is agreed that the amount of damage to the Trust Fund resulting from any such failure shall be presumed to be (i) \$200, if the Contributions or other monies are received by the Trust Fund within two business days of the date on which such monies were due and unpaid, or ten percent (10%) of the Contributions or other monies, if such monies are not received by the Trust Fund within two business days of the date on which they were due and unpaid.

³ Section 8.13(c) The entire cost of such audit shall be paid by the Trust Fund, except that if the amount found due by the audit is ten percent (10%) or more of the Contributions which should have been made, the costs of such audit shall be paid by the Employer.

review your request for credit for contributions remitted on behalf of un-enrolled participants, we would appreciate it if you would forward your written request directly to the Trust Fund Collection Administrator.

Mr. Bill Quinteros
NORTHWEST ADMINISTRATORS
1000 Marina Blvd., Suite 400
Brisbane, CA 94005

Under Reported Contributions:

We would appreciate your cooperation by remitting your payment within one week for \$333,280.98 along with a copy of this letter to the following address:

General Employees Trust Fund
c/o Bill Quinteros, Collection Administrator
1000 Marina Blvd., Suite 400
Brisbane, CA 94005

In the event the Trust Fund Administrator does not receive your payment within one week, the Collections Administrator will proceed to collect the amount due the Trust Fund. If this action is necessary, you will be responsible for the collection cost.

We take this opportunity to express our appreciation to you and your staff for the courtesies and cooperation extended to us during the examination. Please feel free to call our office at 831-338-2023 if you have any questions concerning our report.

Sincerely,



Brian Valdivia, Compliance Auditor
NATIONAL COMPLIANCE SERVICES

Enclosures (25)

cc: Bill Quinteros, Northwest Administrators
Celeste Furlough, Northwest Administrators
Tony Ah-Hing, Northwest Administrators
Blair Fowler, Northwest Administrators
Christina Mcdonagh, Northwest Administrators
Stacie Doran, Northwest Administrators
Shanna Saldivar, Northwest Administrators
Tyler Gronsby, Northwest Administrators
Mark Sharwood, SEIU-USWW
Denise Solis, SEIU-USWW
David Huerta, SEIU-USWW
Olga Miranda, SEIU Local 87